THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (d) Yes, Sir. The Central Government had requested the State Governments to take all necessary steps to keep inflation under control. In a letter dated 21st February, 2007 the Prime Minister has appealed to this effect to all the Chief Ministers. The letter makes specific mention to curb speculation in some of the commodities, especially pulses. It also exhorts the State Governments to take necessary steps to curb malpractices, profiteering and hoarding and ensure efficient functioning of the Public Distribution System. The letter also outlined the various fiscal, administrative and supply side augmentation measures that have been taken by the Central Government in the recent past. As a result of these initiatives inflation as measured in terms of Wholesale Price Index has already moderated to reach 3.01 per cent on November 10, 2007. Inflation has been ruling below 4 per cent level for last 13 weeks.

Common regulator for industrial sectors

751. SHRIMATI SUPRIYA SULE : Will the Minister of FINANCE be pleased to state:

(a) whether Government is exploring the possibility of having a common regulator for various industrial sectors with the idea to bind together varied regulations in a single and coherent regulatory framework;

(b) whether the Planning Commission in consultation with his Ministry has prepared a paper in this regard;

(c) whether Government is also considering to bring a fresh legislation to lay down the overall regulatory approach; and

(d) if so, by when a final decision in this regard is likely to be taken?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (d) A consultation paper on 'Approach to Regulation of Infrastructure—Issues and Options' has been prepared by Planning Commission. A copy of the paper has been put up on the website of the Planning Commission for comments of the stake holders, experts etc. Planning Commission has also organized meetings with various stake holders to elicit their comments and views. This paper analyses the rationale for regulation, surveys the existing regulatory institutions and identifies the principles and policy options for an overarching regulatory framework.

Regulation of Participatory Note by SEBI

752. SHRI MAHENDRA MOHAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that on 17th October, the Sensex crashed because of untimely announcement to regulate the Participatory Note by Securities and Exchange Board of India (SEBI);

(b) if so, the details thereof;

(c) whether it is also a fact that the Ministry took undue long time to react to that statement leading to fall in the index by 1800 points and investors loosing 4 lakh crores;

(d) the reasons for the Ministry reacting so late; and

(e) the details of persons who made large purchases during this crash?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Regulation is a continuous process. The announcement made by the Securities and Exchange Board of India (SEBI), after trading hours on 16th October,

2007, was in the form of a draft proposal inviting views within four days for consideration of amendment to regulate the Participatory Notes (PNs), The movement of any particular index at any point of time cannot be attributed to any single factor.

(c) and (d) Within a minute of market opening on the 17th October, 2007, the indices moved down by 10%. In accordance with SEBI's risk management rules, the trading was halted in all the stock exchanges for one hour. Immediately thereafter, the Ministry of Finance clarified, through a press release and briefings, that the draft proposals were to moderate capital inflows and there was no intention to ban PNs.

SEBI also issued a clarification making it clear that the proposal does not in any manner seek to restrict renewal or rollover of the Indian Exchange traded derivative contracts by the FIIs.

Thereafter, the markets recovered substantially on reopening. Sensex closed on 17th October, 2007 at 18715.82, down by 336.04 points (-1.76%) from previous day's close. Similarly, Nifty closed at 5559.30, down by 108.75 points (-1.92%) from previous day's close.

(e) SEBI has directed the Exchanges to analyze steep falls or rises in the market to detect untoward patterns or skewed concentrations. Preliminary review or analysis for the month of October, 2007 does not reveal such findings.

Diversion of profits of Nationalized Banks to NPAs

753. SHRI SANJAY RAUT : Will the Minister of FINANCE be pleased to state:

(a) how much of amount are diverted from Nationalized Banks' profits to Non-Performing Assets (NPAs) of various fields in the country since last three years;

(b) the details of industry-wise category of NPAs, benefited and the amount waived under NPAs to the agriculture sector since the last three years; and

(c) the details of steps taken or proposed to be taken for reducing Non-performing Assets (NPAs) by improving profitability amongst Public Sector Banks in commercial lendings?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) The information is being collected and will be laid on the Table of the Rajya Sabha.

Self-Help Groups (SHGs) under the Micro Finance Programme

754. SHRI RAVULA CHANDRA SEKAR REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether Government is sanctioning help for the Self-Help Groups (SHGs) under the Micro Finance Programme under National Bank for Agriculture and Rural Development (NABARD);

(b) if so, the details thereof during the last three years, State-wise, especially in Andhra Pradesh; and

(c) the present position thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) In pursuance to the Union Budget 2005-06 announcement, Micro Finance Development Fund has been re-designated as Micro Finance Development and Equity Fund (MFDEF). The Fund size has also been enhanced from Rs. 100 crore to Rs. 200 crore and it is maintained by NABARD. The fund is used for scaling up of the SHG-Bank Linkage Programme, Micro Finance initiatives, credit support to Micro Finance Institutions